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Consumer and Food Economics Research Division  
Agricultural Research Service

UNITED STATES DEPARTMENT OF AGRICULTURE

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FAMILY ECONOMICS REVIEW is a quarterly report on research of the Consumer and Food Economics Research Division and on information from other sources relating to economic aspects of family living. It is developed by Dr. Emma G. Holmes, research family economist, with the cooperation of other staff members of the Division. It is prepared primarily for home economics agents and home economics specialists of the Cooperative Extension Service.

# FOOD USE IN FARM AND URBAN HOUSEHOLDS IN 1955 AND 1965

During the 10 years between 1955 and 1965, U.S. households changed their food consumption patterns to include more meat, poultry, and fish and more bakery products, but smaller quantities of milk, vegetables and fruit, and flour and cereals. These are findings from nationwide food consumption surveys made in spring 1955 and 1965.<sup>1/</sup>

Both farm and urban households shared in these changes in food consumption. However, for every major food group except vegetables and fruit, the change in average quantity used was greater in farm than urban households (fig. 1). Some important foods for which changes were greater in farm than urban households were: Fresh fluid milk, down 30 percent for farm but only 16 percent for urban households; beef, up 47 percent for farm but only 26 percent for urban; bakery products other than bread, up 106 percent for farm and 54 percent for urban households (see table).

The changes in food use resulted in greater similarity of farm and urban food patterns. The following comparisons of farm with urban consumption of foods to the food groups show smaller differences in 1965 than in 1955:

<u>Food group</u>	<u>Compared with urban, consumption per person in farm households was--</u>	
	<u>In 1955</u>	<u>In 1965</u>
Milk, cream, cheese -----	19 percent more	4 percent more
Meat, poultry, fish, eggs -----	6 percent less	2 percent more
Vegetables, fruit -----	7 percent less	3 percent less
Flour, cereal -----	139 percent more	102 percent more
Purchased bakery products ----	33 percent less	18 percent less
Fats, oils -----	29 percent more	23 percent more
Sugars, sweets -----	67 percent more	65 percent more
Soup, other purchased mixtures	60 percent less	44 percent less
Peanut butter, nuts -----	15 percent less	2 percent more

The greatest difference between farm and urban food consumption is still in flour and cereals (fig. 2). In 1965, farm households used more than twice as much of these foods as urban families. Their use of more fats and sugars is partly related to this use of larger quantities of flour and cereals. Farm families continue to use considerably smaller quantities of soups and other purchased mixes. They also use less of all types of beverages--coffee, soft drinks, ades and punches, and alcoholic beverages.

Between 1955 and 1965, the average money value of food used at home increased 20 percent in farm households (from \$6.67 to \$7.98 per person), and 12 percent in urban households (from \$8.12 to \$9.10 per person). This included expenditures for purchased food plus the value of food raised at home and that received as gift or pay.

<sup>1/</sup> Food Consumption of Households in the United States, Spring 1955, U.S. Dept. Agr., Household Food Consumption Survey 1955, Rpt. No. 1, 1956 (out of print); and Food Consumption of Households in the United States, Spring 1965, U.S. Dept. Agr., Household Food Consumption Survey 1965-66, Rpt. No. 1, 1968, for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, for \$1.25.

Food used per person<sup>1/</sup> per week and distribution of food dollar in farm and urban households, 1955 and 1965

Food groups and selected items	Average quantity used						Distribution of food dollar			
	1955		1965		Change 1955-65 <sup>2/</sup>		1955		1965	
	Farm	Urban	Farm	Urban	Farm	Urban	Farm	Urban	Farm	Urban
	Lb.	Lb.	Lb.	Lb.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Total -----	-	-	-	-	-	-	100.0	100.0	100.0	100.0
Milk, cream, cheese (calcium equivalent) <sup>3/</sup> -----	11.10	9.32	9.03	8.68	-19	-7	19.0	14.3	13.8	12.2
Fresh fluid milk -----	9.04	6.93	6.31	5.82	-30	-16	13.0	8.7	8.4	7.0
Nonfat dry milk -----	.02	.01	.03	.03	70	162	.1	.1	.2	.1
Cheese -----	.25	.34	.31	.36	20	6	1.7	2.1	1.8	2.2
Meat, poultry, fish, eggs --	4.88	5.18	5.58	5.49	14	6	32.7	37.0	35.4	36.3
Beef -----	1.18	1.34	1.73	1.69	47	26	9.0	10.7	14.1	14.0
Pork -----	1.21	1.13	1.25	1.09	3	-3	9.1	8.5	8.9	8.0
Luncheon meat -----	.32	.36	.39	.43	22	20	2.5	2.7	2.8	3.2
Poultry -----	.65	.78	.78	.89	20	14	4.6	5.2	3.4	3.8
Fish, shellfish -----	.36	.41	.36	.37	1	-11	2.2	3.0	2.2	2.6
Eggs -----	1.02	.81	.97	.80	-5	-2	4.3	3.9	3.2	2.9
Vegetables, fruit -----	9.60	10.33	9.12	9.38	-5	-9	18.8	18.7	20.1	18.4
Potatoes, sweetpotatoes --	2.25	1.70	2.15	1.50	-4	-12	2.4	2.0	3.3	2.5
Other vegetables, fruit --	7.35	8.62	6.97	7.88	-5	-9	16.4	16.7	16.8	15.9
Fresh -----	5.61	5.65	4.86	4.75	-13	-16	12.1	10.3	11.9	9.1
Commercially canned ---	.82	1.36	1.02	1.44	24	6	2.3	3.4	2.6	3.5
Commercially frozen ---	.05	.22	.10	.23	92	6	.3	1.0	.4	.9
Juice (single strength equivalent) -----	.61	1.26	.77	1.34	26	7	1.0	1.6	1.3	2.1
Dried fruit -----	.26	.14	.22	.12	-13	-16	.7	.4	.6	.3
Flour, cereal -----	3.06	1.28	2.43	1.20	-21	-6	5.5	3.0	4.8	3.3
Flour, mixes -----	1.88	.63	1.36	.46	-28	-28	3.0	1.2	2.0	.9
Breakfast cereals -----	.28	.24	.33	.32	18	35	1.2	.9	1.6	1.5
Bakery Products -----	1.46	2.17	1.96	2.38	34	10	4.9	6.8	6.7	8.2
Bread -----	1.08	1.49	1.18	1.34	9	-10	2.9	3.5	3.0	3.3
Other -----	.38	.68	.78	1.04	106	53	2.0	3.3	3.6	5.0
Fats, oils -----	1.07	.82	.96	.78	-10	-5	5.5	3.9	4.1	3.3
Butter -----	.28	.20	.17	.13	-39	-37	2.6	1.7	1.4	1.0
Margarine -----	.13	.20	.22	.24	68	19	.5	.6	.8	.7
Sugar, sweets -----	1.79	1.07	1.66	1.00	-7	-6	4.3	2.8	4.2	2.7
Beverages -----	<u>4/</u>	<u>4/</u>	1.80	3.10	<u>4/</u>	<u>4/</u>	5.8	9.3	6.6	10.4
Coffee -----	.20	.26	.20	.23	2	-11	3.0	3.3	2.4	2.4
Soft drinks, ades, punches	.62	1.02	1.34	2.00	114	96	1.1	1.5	2.4	3.0
Alcoholic beverages -----	<u>4/</u>	<u>4/</u>	.20	.81	<u>4/</u>	<u>4/</u>	1.0	3.8	1.0	4.3
Soups, other mixtures -----	.22	.54	.36	.64	64	19	1.0	2.3	1.7	2.9
Peanut butter, nuts (shelled weight) -----	.07	.09	.12	.12	64	37	.7	.7	.9	.8
Seasonings, leavening, other foods -----	<u>4/</u>	<u>4/</u>	.48	.43	<u>4/</u>	<u>4/</u>	1.8	1.3	1.7	1.4

<sup>1/</sup> 21 meals at home equal one person.

<sup>2/</sup> Calculated from unrounded values.

<sup>3/</sup> Quantity of whole fluid milk to which dairy products are equivalent in calcium.

<sup>4/</sup> Data not available.



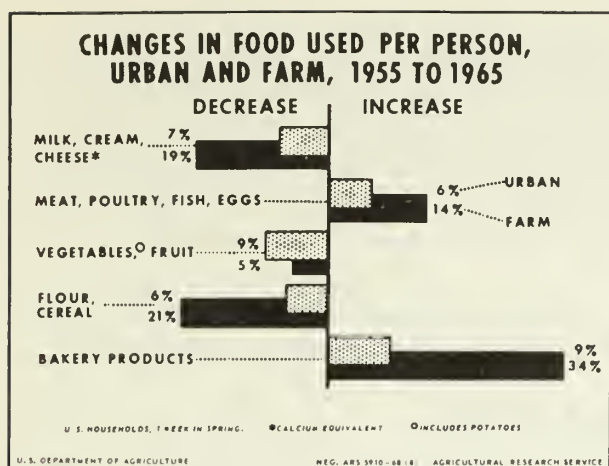


Figure 1

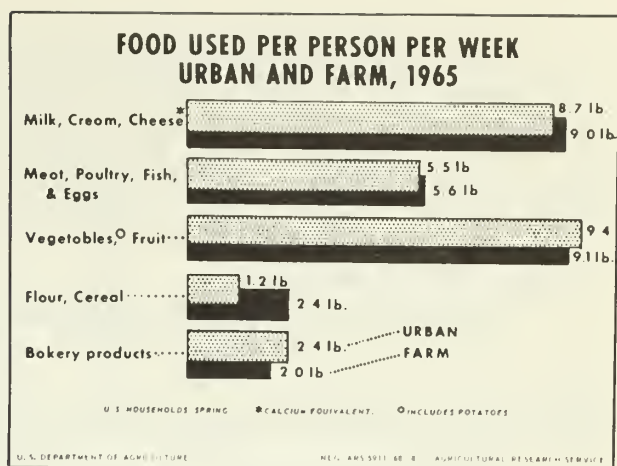


Figure 2

The Bureau of Labor Statistics' index of prices for food rose 13 percent during the decade. Apparently, the increase in the value of food used in urban households was primarily a result of the rise in prices. The changes in foods used evidently counter-balanced each other in value. Part of the increase in value of food used in farm households resulted from shifts to a more expensive assortment of foods--for example, use of more meat, poultry, and fish and more bakery products.

The division of the dollar spent for food at home was similar in farm and urban households in both 1955 and 1965 (see table). Farm families continued to allot slightly more of their food dollar to milk, eggs, fresh vegetables and fruit, flour and mixes, fats and oils, and sugar and sweets; and less of the dollar to canned and frozen vegetables and fruits, vegetable and fruit juices, bakery products, beverages, and soup and other purchased mixtures.

In the foods they use and the way they spend their food dollars, farm households have become more like urban households in the years since 1955.

--Betty Peterkin and Marjorie Rauschert

## PURCHASES OF VARIOUS TYPES OF CLOTHING FOR MEN, WOMEN, AND CHILDREN

A dollar spent for clothing by urban men 25 to 64 years old is divided among the three major clothing groups in this way: 60 cents for outerwear, 15 cents for footwear, and 25 cents for other clothing--according to the Survey of Consumer Expenditures in 1960-61.<sup>1/</sup> Among the items bought by these men in 1 year were an average of about two

<sup>1/</sup> U.S. Department of Labor, Bureau of Labor Statistics. Clothing for Urban Families: Expenditures per Member by Sex and Age, 1960-61. U.S. Bur. Labor Statis. Bul. 1556, 149 pp., 34 tables, 1967. For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, for 75 cents.

dress shirts for \$4.40 each, 1 pair of street shoes for \$14, and 10 pairs of socks at 70 cents a pair. The data indicate that they would buy a heavy jacket about once in 5 years for an average of about \$20. Similar details about clothing expenditures for males and females of different ages and income levels and living in different regions are available from the survey report. This article gives information about how individuals spend for clothing, based on that report. While the amounts spent were lower than they would be in 1968, they show basic relationships that are of lasting interest because these change relatively little over time.

Detailed data on clothing expenditures of rural persons are not available. However, they would probably show basic relationships similar to those for urban persons.

### Expenditures of Individuals for Various Types of Clothing

Clothing expenditures of urban individuals (except infants) in 1960-61 averaged \$85 for outerwear, \$26 for footwear, and \$50 for other clothing. (Outerwear in this report includes: For men and boys--coats and jackets; suits and trousers; work and play clothes; and shirts; and for women and girls--coats, suits, and jackets; dresses, skirts, blouses, and slacks. "Other clothing" includes: Underwear and nightwear; hosiery; hats, gloves, and accessories; and unallocated expenditures when these are not discussed separately.)

Differences related to sex and age.--Expenditures for most groups and subgroups of clothing tend to increase with the age of children, peak at young adulthood, decline with advancing age, and be lower for males than females the same age.<sup>2/</sup> For example, average spending on outerwear increased from \$33 for boys 2 to 5 years old to a peak of \$111 for young men 18 to 24 years, then declined to \$46 for men 65 and older (table 1). Spending was somewhat higher for females in each of these age groups: \$36 for little girls, \$127 for young women, and \$47 for elderly women.

The footwear group is an exception to this general pattern. Spending for footwear peaked at a younger age--12 to 17 years for boys, and 16 to 17 years for girls--and was slightly higher for boys than girls of grade and junior high school age--6 to 11 and 12 to 15 years.

Males devoted more of each clothing dollar to outerwear than did females. For example, men 25 to 64 years old spent 60 percent on outerwear and women in the same age group spent 48 percent (table 2). Compared with women, men also used slightly more of their clothing dollar for footwear but less for "other" clothing--specifically, underwear and nightwear; hosiery; and hats, gloves, and accessories.

In general, younger and older persons divided their clothing dollar among the clothing subgroups in about the same way as persons aged 25 to 64 years. Some exceptions were: Young boys used less of their clothing dollar for suits and trousers--particularly suits--and for accessories, and more of it for work and play clothes and footwear; young girls--2 to 15 years--used less of the clothing dollar than women for hosiery and accessories, and more for footwear; women aged 65 and over allocated less of each clothing dollar than younger women to the subgroups made up of dresses, skirts, blouses, and slacks--particularly separates--and more to that composed of coats, suits, and jackets.

<sup>2/</sup> Total clothing expenditures per person tend to follow this same pattern. See Clothing Expenditures for Individuals in Family Economics Review, March 1968, pp. 8-12.



Table 1.--Expenditures per person for clothing in a year, by age, sex,  
and type of clothing, urban, 1960-61

Clothing groups and subgroups	All ages 2 years and over	2 to 5 years	6 to 11 years	12 to 15 years	16 and 17 years	18 to 24 years	25 to 64 years	65 years and over
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
<u>MALES</u>								
Total clothing -----	141	67	104	144	173	185	169	77
Outerwear -----	82	33	55	80	100	111	102	46
Coats, jackets -----	16	8	12	20	24	25	18	10
Suits, trousers -----	37	9	17	30	41	50	51	24
Work and play clothes ---	11	8	14	13	13	13	12	4
Shirts -----	17	7	12	17	23	23	21	8
Footwear -----	24	17	25	32	32	27	25	10
Other -----	35	17	24	32	41	46	42	21
Underwear, nightwear ---	11	8	9	11	12	12	13	8
Hosiery -----	6	3	5	7	8	8	7	3
Hats, gloves, accessories	11	2	5	8	11	15	16	7
Unallocated expenditures	6	3	4	6	10	11	6	3
<u>FEMALES</u>								
Total clothing -----	179	74	115	187	247	255	212	98
Outerwear -----	87	36	59	99	125	127	101	47
Coats, suits, jackets ---	33	12	18	33	40	43	41	26
Dresses, skirts, blouses, slacks -----	54	25	42	66	85	84	60	21
Footwear -----	27	17	24	30	35	33	30	15
Other -----	64	20	32	57	88	96	81	35
Underwear, nightwear ---	24	11	14	23	29	32	30	13
Hosiery -----	13	3	5	12	17	22	17	7
Hats, gloves, accessories	19	3	7	14	21	27	26	10
Unallocated expenditures	8	3	6	9	20	15	8	5

Differences related to income.--The division of the individual's clothing dollar among the various clothing groups and subgroups tended to be about the same at each income level between \$3,000 and \$10,000. Table 2 shows examples of this tendency for men and women aged 25 to 64, and also two exceptions: Men at the high income level tended to spend a larger part of the dollar on suits and trousers, and men at low income levels a larger part on work and play clothes. This probably reflects different occupational needs.

Differences related to region.--For most sex-age groups, spending on the various clothing subgroups as well as on total clothing generally was highest in the Northeast and lowest in the South. Proportions of total clothing outlays spent on the different subgroups tended to be about the same in every region. Some exceptions--attributable to differences in way of living and climate--were: Work and play clothes took more of the clothing dollar for males in the West than the Northeast; and coats and jackets took less of the clothing dollar for both males and females in the West and South than in other regions.

Table 2.--Distribution of clothing expenditures of urban men and women aged 25 to 64, by family income after taxes and by region, 1960-61

Sex and type of clothing	All, 25 to 64 years	Family income after taxes										Region					
		\$3,000 to \$3,999		\$4,000 to \$4,999		\$5,000 to \$5,999		\$6,000 to \$7,499		\$7,500 to \$9,999		North-east	North Central	South	West		
		Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars						
<u>MEN</u>																	
Total clothing -----																	
Outerwear -----																	
Coats, jackets -----																	
Suits, trousers -----																	
Work and play clothes -----																	
Shirts -----																	
Footwear -----																	
Other -----																	
Underwear, nightwear -----																	
Hosiery -----																	
Hats, gloves, accessories -----																	
Unallocated expenditures -----																	
<u>WOMEN</u>																	
Total clothing -----																	
Outerwear -----																	
Coats, suits, jackets -----																	
Dresses, skirts, blouses, slacks -----																	
Footwear -----																	
Other -----																	
Underwear, nightwear -----																	
Hosiery -----																	
Hats, gloves, accessories -----																	
Unallocated expenditures -----																	
Expenditures per person for-----																	
Total men's clothing -----																	
Total women's clothing -----																	

Table 3.--Average prices paid for selected garments, and average quantities purchased per person in a year, by age, urban United States, 1960-61

Item	2 to 5 years	6 to 11 years	12 to 15 years	16 and 17 years	18 to 24 years	25 to 64 years	65 years and over
	Average prices paid						
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
<u>MALES</u>							
Overcoats (heavy for men)---	10.10	13.51	20.45	27.67	39.70	55.74	58.08
Heavy jackets -----	7.78	10.96	14.38	18.80	19.09	19.58	22.12
Year-round 2-piece suits 1/-----	9.20	16.96	28.03	42.91	50.17	62.16	51.80
Dress shirts -----	2.24	2.54	3.07	4.00	4.29	4.40	4.27
Undershorts, briefs -----	.51	.63	.75	.88	.93	1.01	1.09
Hosiery -----	.38	.45	.56	.67	.71	.71	.73
Street shoes -----	6.01	6.57	8.85	11.27	12.40	14.04	13.56
Felt hats -----	(5/)	(5/)	(5/)	5.71	8.36	9.89	9.60
<u>FEMALES</u>							
Heavy winter coats 2/-----	13.09	17.88	25.64	33.79	44.50	58.47	66.58
Street dresses 3/-----	3.81	4.62	7.14	10.23	12.54	14.72	14.72
Slips, petticoats -----	1.92	2.24	2.79	3.20	3.38	3.69	3.68
Hosiery 4/-----	.38	.48	.83	.85	.92	1.00	1.09
Shoes (street or dress) -----	5.57	5.87	6.21	7.48	8.71	10.87	11.99
Hats -----	2.24	2.62	3.23	3.97	4.96	6.33	6.50
<u>MALES</u>							
	Number	Number	Number	Number	Number	Number	Number
Overcoats (heavy for men) ---	0.11	0.12	0.14	0.10	0.10	0.07	0.05
Heavy jackets -----	.25	.46	.48	.36	.30	.20	.06
Year-round 2-piece suits ---	.10	.12	.19	.12	.17	.18	.08
Dress shirts -----	.77	1.24	1.71	1.79	2.24	2.15	1.01
Undershorts, briefs -----	4.69	4.92	5.35	5.09	4.88	4.40	1.45
Hosiery -----	7.94	10.95	11.93	11.25	10.70	10.02	4.04
Street shoes -----	2.18	2.56	2.54	1.69	1.34	1.03	.51
Felt hats -----	(5/)	(5/)	(5/)	.09	.13	.26	.26
<u>FEMALES</u>							
Heavy winter coats 2/-----	.18	.33	.37	.33	.32	.23	.13
Street dresses 3/-----	1.96	2.83	1.82	1.80	2.19	1.96	.93
Slips, petticoats -----	1.33	2.14	2.40	2.14	2.00	1.61	.72
Hosiery 4/-----	7.86	9.09	8.64	15.27	21.57	16.34	6.56
Shoes (street or dress) -----	1.96	2.30	2.44	2.26	2.24	1.84	.92
Hats -----	.56	.66	.58	.66	.71	.86	.64

1/ Wool for boys.  
3/ Daytime or school for children

2/ With or without fur for women.  
4/ Socks for children under 12.

5/ Not available.

## Prices Paid for Clothing and Quantities Purchased

Variations in the clothing expenditures between groups of individuals may be due to differences in the prices they pay for clothing items, or the quantities they buy, or both. The Survey of Consumer Expenditures gives information about these details of clothing expenditures for males and females of different ages and at different income levels.

Table 4.--Average prices paid for selected garments and average quantities purchased per person in a year by selected sex-age groups at five levels of family income after taxes; urban United States, 1960-61

Sex-age group and type of garment	\$3,000 to \$3,999	\$4,000 to \$4,999	\$5,000 to \$5,999	\$6,000 to \$7,499	\$7,500 to \$9,999
	Average prices paid				
<u>MALES</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
6 to 11 years:					
Overcoats -----	13.03	11.70	13.13	13.23	14.44
Heavy jackets -----	9.84	10.03	9.59	11.17	11.56
Wool suits -----	14.38	14.51	12.49	17.90	18.15
Street shoes -----	5.40	5.70	5.95	6.83	7.34
25 to 64 years:					
Overcoats, heavy -----	39.23	53.05	44.50	49.92	58.06
Heavy jackets -----	18.66	18.50	17.01	17.45	21.60
Year-round 2-piece suits -----	52.61	53.37	55.94	56.13	63.11
Street shoes -----	12.38	12.65	12.71	13.46	14.61
<u>FEMALES</u>					
6 to 11 years:					
Heavy winter coats -----	14.80	17.21	14.88	18.05	19.54
Daytime or school dresses -----	3.71	3.84	4.14	4.86	5.05
Street or dress shoes -----	5.24	4.87	5.73	5.94	6.39
25 to 64 years:					
Heavy winter coats -----	47.96	58.42	48.74	52.86	63.46
Street dresses -----	11.31	12.46	12.34	12.90	14.26
Street or dress shoes -----	9.94	9.99	9.91	10.55	11.01
	Average quantities purchased				
<u>MALES</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
6 to 11 years:					
Overcoats -----	.12	.14	.12	.11	.15
Heavy jackets -----	.41	.41	.47	.44	.58
Wool suits -----	.14	.12	.10	.08	.14
Street shoes -----	2.27	2.61	2.66	2.53	2.75
25 to 64 years:					
Overcoats, heavy -----	.08	.06	.05	.07	.08
Heavy jackets -----	.19	.20	.23	.21	.24
Year-round 2-piece suits -----	.13	.14	.13	.17	.20
Street shoes -----	.88	.88	.92	1.03	1.17
<u>FEMALES</u>					
6 to 11 years:					
Heavy winter coats -----	.21	.34	.32	.32	.35
Daytime or school dresses -----	2.48	3.48	2.98	2.57	2.81
Street or dress shoes -----	1.81	2.30	2.36	2.26	2.50
25 to 64 years:					
Heavy winter coats -----	.22	.21	.23	.24	.27
Street dresses -----	1.56	1.74	1.62	2.00	2.40
Street or dress shoes -----	1.66	1.61	1.55	1.76	2.24



Differences related to age.--For females, the average price paid per garment increased with the age of the person and was highest for the oldest group (table 3). For males, the peak price was paid as often by the 25-to-64 as by the 65-and-over age group. Prices paid for most of the selected garments were 2 or 3 times as high for persons aged 65 and over as for young children. The difference was even greater for such major items as overcoats and suits for males and coats and dresses for females.

The average number of garments bought per person peaked at a relatively early age and was generally smaller for persons aged 65 and over than for young children. For most of the selected items, the largest number was bought for boys and girls 12 to 15 years old. Dress shirts for males and hosiery for females peaked at 18 to 24 years, and women 25 to 64 years old bought the largest number of hats. One item--street or similar dresses--had an earlier peak--6 to 11 years.

In general, then, rising clothing expense as the child grows is due to both increasing quantities of many items and increasing prices paid for them. The decline in clothing expense with advancing age is due to a decline in quantities bought that more than makes up for the increase in prices paid. For elderly men, lower prices as well as smaller quantities contributed to lower clothing expense.

Differences related to income.--Average prices paid and quantities bought of clothing items generally rose with family income. However, they advanced irregularly and at a lower rate than income. Table 4 shows, for a few major clothing items, average prices paid and quantities bought for boys and girls, men and women in families at 5 income levels between \$3,000 and \$10,000. (These persons were 60 percent of the urban population at these levels and almost 50 percent of the total urban population.) As income increased from \$3,000 to \$3,999 up to \$7,500 to \$10,000 (150 percent), average prices generally increased less than 35 percent and average quantities less than 50 percent. For example, men's heavy jackets increased 16 percent in price and 26 percent in quantity bought, and women's winter coats increased 32 percent in price and 23 percent in quantity.

--Virginia Britton

✓  
FOOD PRICES IN CHAINSTORES IN HIGH- AND LOW-INCOME  
AREAS OF SIX CITIES 1/

Questions have been asked recently whether retail food chains charge the same prices in stores located in high- and low-income areas of large cities. Concerned because of the effect food prices have on the usefulness of the Food Stamp Program, the U.S. Department of Agriculture conducted a survey in February 1968 to study variation in prices and--to a lesser extent--in product quality among stores of a chain.

Prices were compared for 17 commonly used food items, using specified brands of packaged and canned items. Comparisons of quality were made of selected meat items bought in high- and low-income area stores of a chain within a city. The survey included

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1/ U.S. Dept. of Agr. Comparison of Prices Paid for Selected Foods in Chainstores in High and Low Income Areas in Six Cities. 115 pp. Washington, D.C., June 1968.



both low- and high-income area stores in two leading chains in each of six major cities --134 stores in all. Here, in brief, are some of the findings from the study:

Average prices paid.--Comparisons of average prices paid for each food item showed no evidence of price discrimination. Differences that did exist were no greater than would be expected among stores of the same chain within an income area. A predominance of higher average prices in the low-income area stores was found in only one of the 12 food chains studied, and, even there, the differences were minor.

Quality of meat.--When samples of beef ground, packaged, and sold within a store were tested for fat content, 7 percent of those bought in low-income area stores and 2 percent from high-income area stores were above the 30 percent level given in the Federal Standard which applies only to federally inspected ground beef. About 22 percent of those from high-income and 7 percent from low-income area stores were lean or extra lean.

Of the 13 samples of frankfurters that contained more than the Federal tolerances allowed for added water, 8 were from high-income and 5 from low-income area stores. Although fat content in pork chops was, on the average, slightly higher in those bought from low-income stores, the difference was not statistically significant.

Appearance of stores.--The sample stores were subjectively rated as to size, arrangement, variety of merchandise, and general appearance. They were generally satisfactory and showed no consistent pattern of difference by income area.

## ✓ THE COST OF COOKED LEAN IN SELECTED CUTS OF MEAT

About one-fourth of the dollar spent for food by U.S. households goes for meat--beef, veal, pork, and lamb--according to a national food consumption survey made in the spring of 1965. Because meat is a major expense and the range in costs of the different types and cuts is great, the homemaker needs to select meat carefully if she wants to make the best use of her money.

Finding the best buys at the meat counter is not always easy. The economy of a cut depends on the amount of cooked lean meat it provides, the nutritive value of the lean meat, and the price per pound. In general, the nutritive value of lean cooked meat from the various meat animals differs only slightly, except that pork provides more thiamine and organs and glands are usually higher in iron and vitamins than other meats. The homemaker's principal considerations in finding good meat buys are the yield of cooked lean meat and the price per pound. Thus, she needs to compare the cost of equal amounts of cooked lean from the various cuts and types of meat available.

The table opposite shows the approximate cost of 3-ounce servings of cooked lean meat from selected kinds and cuts of meat at various retail prices per pound. Locate in the list the kind and cut you plan to buy, then follow the line on which it appears to the column headed by the price most like the current price at your market. The figure at this point is the approximate cost of a 3-ounce serving of cooked lean. For example, for a 3-ounce serving of lean from a chuck roast--bone in--priced at 50 cents a pound, the cost would be 22 cents, and from ground beef at 55 cents a pound, the cost would be 14 cents.

--Beatrice Evans

Kind and cut of meat	Price per pound of retail cuts (cents)																													
	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	
<u>Beef</u>																														
<u>Roasts:</u>																														
Brisket, bone in .....	16	18	21	23	26	29	31	34	36	39	42	44	47	49	52	55	57	60	62	65	68	70	73	76	78	81	83	86	89	
Chuck, bone in .....	13	16	18	20	22	25	27	29	31	33	36	38	40	42	45	47	49	51	54	56	58	60	62	65	67	69	71	74	76	
Chuck, bone out .....	10	12	14	16	17	19	21	23	24	26	28	30	31	33	35	36	38	40	42	43	45	47	49	50	52	54	56	57	59	
Ribs-7th, bone in .....	13	16	18	20	22	25	27	29	31	33	36	38	40	42	45	47	49	51	54	56	58	60	62	65	67	69	71	74	76	
Round, bone in .....	10	12	13	15	17	18	20	22	23	25	27	28	30	32	33	35	37	38	40	42	43	45	47	48	50	52	54	55	57	
Round, bone out .....	9	11	12	14	16	17	19	20	22	23	25	27	28	30	31	33	34	36	38	39	41	42	44	45	47	48	50	52	53	
Rump, bone in .....	13	15	17	20	22	24	26	28	31	33	35	37	39	41	44	46	48	50	52	55	57	59	61	63	66	68	70	72	74	
Rump, bone out .....	10	12	14	15	17	19	20	22	24	26	27	29	31	32	34	36	38	39	41	43	44	46	48	49	51	53	55	56	58	
<u>Steaks:</u>																														
Chuck, bone in .....	13	16	18	20	22	25	27	29	31	33	36	38	40	42	45	47	49	51	54	56	58	60	62	65	67	69	71	74	76	
Chuck, bone out .....	10	12	14	16	17	19	21	23	24	26	28	30	31	33	35	36	38	40	42	43	45	47	49	50	52	54	56	57	59	
Club, bone in .....	17	20	23	26	28	31	34	37	40	43	45	48	51	54	57	60	62	65	68	71	74	77	80	82	85	88	91	94	97	
Porterhouse, bone in ..	16	18	21	23	26	29	31	34	36	39	42	44	47	49	52	55	57	60	62	65	68	70	73	76	78	81	83	86	89	
Round, bone in .....	10	12	13	15	17	18	20	22	23	25	27	28	30	32	33	35	37	38	40	42	43	45	47	48	50	52	54	55	57	
Round, bone out .....	9	11	12	14	16	17	19	20	22	23	25	27	28	30	31	33	34	36	38	39	41	42	44	45	47	48	50	52	53	
Sirloin, bone in .....	13	15	17	19	21	23	26	28	30	32	34	36	38	40	43	45	47	49	51	53	55	57	60	62	64	66	68	70	72	
Sirloin, bone out .....	12	14	16	18	20	21	23	25	27	29	31	33	35	37	39	41	43	45	47	49	51	53	55	57	59	61	62	64	66	
T-bone, bone in .....	17	19	22	25	28	30	33	36	39	41	44	47	50	52	55	58	61	64	66	69	72	75	77	80	83	86	88	91	94	
Ground beef .....	8	9	10	12	13	14	16	17	18	20	21	22	23	25	26	27	29	30	31	33	34	35	36	38	39	40	42	43	44	
Shortribs .....	18	20	23	26	29	32	35	38	41	44	47	50	53	56	58	61	64	67	70	73	76	79	82	85	88	91	94	96	99	
<u>Pork, fresh</u>																														
<u>Roasts:</u>																														
Loin, bone in .....	15	18	20	23	25	28	30	33	36	38	41	43	46	48	51	53	56	58	61	63	66	69	71	74	76	79	81	84	86	
Loin, bone out .....	10	12	14	16	17	19	21	23	24	26	28	30	31	33	35	36	38	40	42	43	45	47	49	50	52	54	56	57	59	
Picnic, bone in .....	16	19	21	24	27	29	32	35	37	40	43	45	48	51	53	56	59	62	64	67	70	72	75	78	80	83	86	88	91	
<u>Chops:</u>																														
Loin .....	13	16	18	20	22	25	27	29	31	33	36	38	40	42	45	47	49	51	54	56	58	60	62	65	67	69	71	74	76	
Rib .....	15	18	20	23	25	28	30	33	36	38	41	43	46	48	51	53	56	58	61	63	66	69	71	74	76	79	81	84	86	
<u>Pork, Cured</u>																														
<u>Roasts:</u>																														
Butt, bone in .....	11	13	14	16	18	20	22	23	25	27	29	31	32	34	36	38	40	42	43	45	47	49	51	52	54	56	58	60	61	
Ham, bone in .....	10	12	14	16	17	19	21	23	24	26	28	30	31	33	35	36	38	40	42	43	45	47	49	50	52	54	56	57	59	
Ham, bone out .....	8	9	10	12	13	14	16	17	18	20	21	22	23	25	26	27	29	30	31	33	34	35	36	38	39	40	42	43	44	
Picnic, bone in .....	14	16	18	21	23	25	27	30	32	34	37	39	41	43	46	48	50	53	55	57	59	62	64	66	68	71	73	75	78	
Picnic, bone out .....	11	12	14	16	18	19	21	23	25	27	28	30	32	34	35	37	39	41	42	44	46	48	49	51	53	55	57	58	60	
Ham slices .....	9	11	12	14	16	17	19	20	22	23	25	27	28	30	31	33	34	36	38	39	41	42	44	45	47	48	50	52	53	
<u>Lamb</u>																														
<u>Roasts:</u>																														
Leg, bone in .....	12	15	17	19	21	23	25	27	29	31	33	35	38	40	42	44	46	48	50	52	54	56	58	60	62	65	67	69	71	
Shoulder, bone in .....	14	16	18	21	23	25	27	30	32	34	37	39	41	43	46	48	50	53	55	57	59	62	64	66	68	71	73	75	78	
<u>Chops:</u>																														
Loin .....	14	16	18	21	23	25	27	30	32	34	37	39	41	43	46	48	50	53	55	57	59	62	64	66	68	71	73	75	78	
Rib .....	17	19	22	25	28	30	33	36	39	41	44	47	50	52	55	58	61	64	66	69	72	75	77	80	83	86	88	91	94	

Field data from U.S.Dept. Agr., HERR No.31, Proximate Composition of Beef..., and U.S.Dept. Agr., AH No.284, Purchasing Guide for Group Feeding.

Yield data from U.S.Dept.Agr.,HERR No.31, Proximate Composition of Beef..., and U.S.Dept.Agr.,AH No.284, Purchasing Guide for Group Feeding.

## OUTLOOK CONFERENCE TO BE HELD IN FEBRUARY 1969

The next Annual National Agricultural Outlook Conference--the 46th--is to be held February 17 to 20, 1969, in Washington, D. C. Having the conference in February instead of November, its usual time, will enable those taking part to consider the outlook in relation to the Economic Report of the President and the Federal Budget. This will give them a better perspective on economic developments. The program will include three or four family living sessions, presenting material planned for home economists and others interested in improving levels of living. Papers from the Outlook Conference will be presented in the March 1969 issue of Family Economics Review.

### SPENDING FOR SERVICES

Consumers spent \$204 billion on services in 1967, up from \$129 billion in 1960, according to the U. S. Department of Commerce (table 1). This was an average of \$1,024 per person in 1967 compared with \$712 in 1960. During this period, expenditures per person for services increased 44 percent--about the same as the rate of gain for consumer durables--45 percent--but considerably higher than that for nondurables--30 percent.

The rise in spending for services in the 1960's has been slow compared with the sharp gains of the 1950's. Between 1950 and 1960, spending per person for services increased 74 percent, while consumer durable goods advanced only 26 percent and nondurable goods 30 percent. The share of the personal consumption dollar allocated to services increased from 33 to 40 cents in the 1950's, and has remained at about 40 to 41 cents since. In the 1960's, durable goods--which include such items as automobiles and household furnishings and equipment--have replaced services as the fastest growing of the three major consumer expenditure groups.

Table 1.--Personal consumption expenditures, 1960 and 1967

Item	Total		Average per person		
	1960	1967	1960	1967	Increase 1960 to 1967
	<u>Bil. dol.</u>	<u>Bil. dol.</u>	<u>Dol.</u>	<u>Dol.</u>	<u>Pct.</u>
Total personal consumption expenditures -----	325.2	492.2	1,800	2,472	37
Services -----	128.7	203.8	712	1,024	44
Housing -----	46.3	70.9	256	356	39
Household operation --	20.0	29.0	111	146	32
Transportation -----	10.8	15.0	60	75	25
Other -----	51.6	88.9	286	446	56
Nondurable goods -----	151.3	215.8	837	1,084	30
Durable goods -----	45.3	72.6	251	365	45



Table 2.--Consumer Price Index for Services and Goods  
(1957-59 = 100)

Year	All items	Services	Durable goods	Nondurable goods
1960 -----	103.1	106.6	100.9	101.9
1961 -----	104.2	108.8	100.8	102.8
1962 -----	105.4	110.9	101.8	103.6
1963 -----	106.7	113.0	102.1	104.9
1964 -----	108.1	115.2	103.0	106.0
1965 -----	109.9	117.8	102.6	107.9
1966 -----	113.1	122.3	102.7	111.8
1967 -----	116.3	127.7	104.3	114.0

Higher prices have accounted for much of the increase in spending for services. The Bureau of Labor Statistics' index of prices for services rose from 106.6 in 1960 to 127.7 in 1967 (1957-59=100) (table 2). This was a much steeper rise than that for either durable or nondurable goods. In constant (1958) dollars, per capita spending for services increased 20 percent, durable goods 41 percent, and nondurable goods 16 percent.

Spending for groups of services.--Services as reported by the Department of Commerce include four major groups: Housing (space rental value), household operation (utilities, telephone, and domestic service), transportation (auto repair, tolls, and insurance; and public transportation), and other (services related to medical care; personal business--such as bank charges, funeral services, and legal fees; recreation; education; clothing; personal care; foreign travel; and religion).

Housing and other are by far the most important of the four groups of services in terms of amounts spent for them. Together they accounted for almost four-fifths of the service dollar in both 1960 and 1967, as shown below:

Service group	Percent of the service dollar in--	
	1960	1967
Household operation -----	16	14
Transportation -----	8	7
Housing -----	36	35
Other -----	40	44

Expenditures per person for housing increased at a greater rate than did outlays for other services between 1950 and 1960 (83 and 71 percent, respectively). So far in the present decade, however, the other group has gained more--56 percent, compared with 39 percent for housing. Much of the gain in spending for other services is due to sizable increases for medical care and personal business services. Spending per person for household operation rose 32 percent and for transportation 25 percent from 1960 to 1967.

--Katherine D. Smythe

# ✓ INSTALLMENT CREDIT AND RETAIL SALES PRACTICES OF RETAILERS IN THE DISTRICT OF COLUMBIA 1/

The Federal Trade Commission recently completed a survey of installment credit and sales practices involving household furnishings and appliances in the District of Columbia. The purpose was to get information about finance charges, prices, gross margins and profits, legal actions taken in collecting delinquent accounts, and assignment relationships between retailers and finance companies. The survey included 96 retailers of furniture and appliances having sales of \$100,000 or more in 1966.

Use of installment credit. --Of the retailers surveyed, 65 used consumer installment sales contracts regularly, and 31 sold only for cash or on a regular or revolving charge account basis. The retailers using installment contracts included 18 that sold primarily to low-income customers, and 47 selling to a more general market. The retailers selling to low-income customers used installment credit much more extensively --93 percent of their sales compared with 27 percent in general market stores.

Markup and prices. --Without exception, retailers selling to the low-income market had higher average markups and prices than general market sellers. On the average, they marked up a \$100 wholesale purchase to sell for \$255, compared with \$159 in general market stores. The contrast in markup was most apparent when similar makes and models of products were compared. For example, for a portable TV set costing about \$110 at wholesale, the price of the general market sellers was about \$130, the price of the low-income market retailers was \$220. A dryer, wholesaling about \$115, was sold for \$150 and \$300 by the respective dealers.

Finance charges on installment credit. --The effective annual rate of finance charges on installment purchases ranged from 11 to 33 percent in low-income and 11 to 29 percent in general market stores. However, nearly half of the credit sales by low-income retailers were at finance rates from 26 to 33 percent, compared with less than 1 percent of those by general market stores. The distributions of annual finance rates on installment contracts were as follows:

<u>Annual finance rate</u>	<u>Percent of total value of installment contracts of--</u>	
	<u>Low-income market retailers</u>	<u>General market retailers</u>
11 through 16 percent -----	4.0	11.9
17 through 22 percent -----	48.1	64.6
23 through 28 percent -----	35.2	21.4
29 through 33 percent -----	12.7	.3
Not available -----	-	1.8

Some low-income market retailers kept their finance charges below the actual cost of granting credit, thus making it seem that they were absorbing the cost them-

1/ Federal Trade Commission, Economic Report on Installment Credit and Retail Sales Practices of District of Columbia Retailers. Washington, D. C. March 1968.



selves. While this practice may give the buyer the idea that he is getting "easy credit," he may be paying dearly for credit in the form of higher prices for his purchases.

Low-income market retailers held most of their own installment credit contracts (80 percent by dollar value). General market retailers assigned a larger proportion of their contracts to finance companies and banks (98 percent in appliance stores and 57 percent in furniture stores).

Profits and expenses.--Despite their substantially higher prices, low-income market retailers made only a slightly higher net profit on sales than the general market retailers and their return on net worth was considerably lower as shown in the following tabulation:

<u>Retailer</u>	<u>Average return (after taxes) on--</u>	
	<u>Net sales</u>	<u>Net worth</u>
	<u>Percent</u>	<u>Percent</u>
Low-income market -----	4.7	10.1
General market:		
Department store -----	4.6	13.0
Furniture and furnishings -----	3.9	17.6
Appliance, radio, TV -----	2.1	20.3

Salaries and commissions, bad debt losses, and other expenses appeared to be higher for low-income than the general market retailer. Door-to-door selling with followup demonstrations, personal collection and recordkeeping of installments made for high personnel expense. Court action also increased their expenses since some of the low-income market retailers made frequent use of the courts to collect on their installment contracts. Of the 18 low-income market stores in the survey, 11 reported 2,690 judgments in 1966. These legal actions ended in 1,568 garnishments and 306 reposessions. This group of stores filed one suit for every \$2,600 of sales; general market sellers filed one for every \$232,000 of sales.

Conclusions.--Findings from this study indicate that what competition there is among low-income market retailers of appliances and home furnishings is in the form of easier credit rather than lower prices. They also indicate that low-income families do little comparative shopping for these goods, and that they lack information about credit charges and credit source alternatives, and about the price and quality of goods available in general market stores.

Several types of action are suggested as necessary to solve the problem of installment credit for low-income families: (1) Require finance charges to be clearly and conspicuously stated; (2) make reasonable credit more accessible; (3) provide counseling services that will encourage consumers to do comparison shopping; (4) equalize the legal rights of buyers and creditors in installment credit transactions; (5) encourage more businesses to enter the low-income market; and (6) provide more consumer protection by Federal and local governments, to eliminate fraud and deceptions in advertising and offering of credit.

## OWNERSHIP OF HOUSEHOLD EQUIPMENT IN 1967

An important part of the general upgrading of the U.S. level of living is the increasing amount of equipment for convenience and comfort in homes. In 1967, according to the Census Bureau, 93 percent of all households owned one or more television sets, 85 percent a refrigerator, and 72 percent a washing machine (see table). Although ownership rates were lower for the other items surveyed--clothes dryers, dishwashers, air conditioners, and radio and phonograph equipment costing \$100 or more--they had made substantial gains over their 1960 levels.

A TV set is evidently one of the early purchases (or gifts) of young households, since 86 percent of those headed by a person under 25 years and 95 percent in the 25 to 34 age group owned a TV in 1967. Ownership of radio and phonograph equipment costing at least \$100 is about as high in the youngest households--41 percent--as at its peak of 46 percent in the next two age groups (25 to 34 and 35 to 44).

Households owning specified equipment in 1967, by age of head,  
income before taxes, residence, and tenure

Age of head, income before taxes, residence, tenure	Refrigerator	Washing machine	Clothes dryer	Dishwasher	Air conditioner	TV set	Radio, phonograph <sup>1/</sup>
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
All households ---	85	72	30	12	20	93	35
<u>AGE OF HEAD</u>							
Under 25 years ---	52	40	14	2	9	86	41
25 to 34 years ---	80	73	38	11	19	95	46
35 to 44 years ---	90	82	44	18	23	96	46
45 to 54 years ---	90	80	36	16	25	95	40
55 to 64 years ---	87	72	25	10	24	93	29
65 years and over	86	62	11	5	15	89	14
<u>INCOME</u>							
Under \$3,000 -----	77	53	6	1	8	82	10
\$3,000 to \$4,999 -	80	64	17	3	14	93	23
\$5,000 to \$7,499 -	86	75	31	6	20	97	36
\$7,500 to \$14,999	90	84	52	20	31	98	53
\$15,000 and over -	91	85	64	51	45	99	72
<u>RESIDENCE</u>							
Farm -----	96	86	33	6	13	91	18
Nonfarm -----	90	76	31	11	18	92	32
<u>TENURE</u>							
Owner -----	99	86	41	17	26	96	38
Renter -----	62	49	13	3	11	89	31

<sup>1/</sup> Radios and phonographs (or their component parts) together costing \$100 or more.

Unlike TV sets and radio and phonograph equipment, appliances for housework (washing machines, dryers, refrigerators, and dishwashers) and air conditioners are much less likely to be owned by young families than by those in the middle and upper-middle age groups. This is due, in part at least, to the fact that many young families live in rented apartments or houses rather than owned homes. As renters they may have refrigerators and possibly dishwashers and air conditioners provided by the landlord. They may also have access to coin-operated laundry equipment. Households in the oldest group (65 and over) have lower ownership rates than those headed by persons 25 to 64 years old--especially for dryers, dishwashers, air conditioners, and radio and phonograph equipment costing \$100 or more.

Ownership of each item of equipment increased as income rose. However, income seemed to have least effect on television ownership. The proportion with TV sets was high--82 percent--even among families with incomes under \$3,000, rising to 99 percent for those in the top income group. Households owning dishwashers increased from only 1 percent at the under-\$3,000 to 51 percent at the \$15,000-and-over level.

Compared with nonfarm families, those on farms are more likely to own washing machines, clothes dryers, and refrigerators, but less likely to own dishwashers, air conditioners, and radio and phonograph equipment costing \$100 or more. Farm families had just about caught up with nonfarm in TV ownership by 1967, though they had been considerably lower 7 years earlier.

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Source: U.S. Department of Commerce, Bureau of the Census. Special Report on Household Ownership and Purchases of Automobiles and Selected Household Durables: 1960 to 1967. U.S. Bur. Census, Ser. P-65, No. 18. August 1967.



## EDUCATION AND LIFETIME EARNINGS

Does it pay to stay in school long enough to get a high school diploma or a college degree? Census Bureau estimates of expected lifetime earnings of men--based on data from the 1960 Census--indicate that it does. The estimates assume (1) probability of death before age 65 in line with current death rates; (2) retirement at age 65 if still living; and (3) average income changes over the worklife due to age and experience. Assuming also that earnings increase at the rate of 3 percent a year due to growth in productivity in the economy, a 22-year-old man with average income for his age and education can expect the following earnings during his working lifetime:

\$354,000 if he had only an 8th grade education;  
\$482,000 if he had completed 4 years of high school; and  
\$862,000 if he had completed 4 or more years of college.

These figures are averages for all occupations. Since income varies from one occupation to another, however, an individual needs to take the kind of work he does into account in estimating future earnings. The following table gives expected earnings for 22-year-old men in each major occupational group, based on the assumptions noted above.



Expected lifetime earnings for men 22 years old in the experienced civilian labor force with earnings in 1959 (assuming 3 percent annual increase in earnings), by education and occupation

Occupation	8th grade	High school, 4 years	College, 4 or more years
	Thou.dol.	Thou.dol.	Thou.dol.
All occupations -----	354	482	862
Professional, technical, and kindred Managers, officials, proprietors (except farm) -----	444	564	860
Clerical and kindred -----	523	700	1,165
Sales workers -----	361	417	514
Craftsmen, foremen, and kindred ----	399	516	774
Operatives and kindred -----	392	453	621
Service workers, including household	350	390	445
Farmers and farm managers -----	279	338	383
Farm laborers and foremen -----	237	311	490
Laborers (except farm and mine) ----	170	247	(1/)
	282	322	365

1/ Not available.

Data on lifetime earnings can be used to estimate the present value of a man's life as well as his future income. The present value of lifetime earnings is needed, for example, in a legal suit involving a man's death in an automobile accident, when a cash settlement to his family for loss of his earnings is being considered. In such a case, the estimated lifetime earnings are usually discounted, because a dollar one does not expect to receive until 30 or 40 years from now is not worth a dollar to him today. One discount rate sometimes used to reduce future earnings to present value is the interest rate on long-time Government investments. An additional adjustment sometimes required by courts to estimate net loss of earnings to the family is to subtract the cost of the worker's maintenance during his expected worklife. For a 22-year-old carpenter (craftsman) with a high school education, the present value of his future earnings might be calculated as follows: His expected future earnings--assuming the 3 percent annual increase for productivity--would be \$453,000. The present value of this sum, discounted at 4 percent a year, would be \$186,000. The present value minus \$1,000 a year for maintenance during his expected worklife would be \$154,000.

The Census report from which this information is taken gives estimates of lifetime earnings for men 18 to 64 years old in the experienced civilian labor force in 1959, assuming annual gains in output per man hour of 0, 2, 3, or 4 percent, by age, occupation, and color; the present value of these expected earnings, discounted at the rate of 0, 3, 4, or 5 percent a year; and the amounts to be deducted for personal maintenance costs of \$1,000, \$2,000, and \$3,000 a year.

Source: Miller, H. P., and Hornseth, R. A. Present Values of Estimated Lifetime Earnings. U.S. Bur. Census Tech. Paper No. 16. 1967. For sale by the Supt. of Documents, U.S. Govt. Printing Office, Washington, D.C. 20402, for 40 cents.

## A NEW POVERTY STATISTIC

For a number of years, the Social Security Administration and the Bureau of the Census have prepared estimates of the number of U.S. families and unrelated individuals living in poverty and also descriptions of these families. These estimates have been developed by comparing the income reported by each family and unrelated individual in the Census Bureau's Current Population Survey for March to the Social Security Administration's "poverty line" for a family of its size and composition.

Now another measure of our poverty problem has been developed--an estimate of the amount of income needed to raise poor families above the poverty line. In 1965, the only year for which this estimate is now available, the amount needed to raise the median poor white family above the poverty line was \$872, and for the median poor nonwhite family \$1,165. Counts of the poor have shown that relatively more nonwhite than white families are living in poverty. Also, according to the new measure, poor nonwhite families are deeper in poverty than poor white families.

This information--and much more about poverty in this country--is published in the Bureau of the Census' Current Population Reports, "The Extent of Poverty in the United States, 1959 to 1966," Series P-60, No. 54.

## ✓ SPENDING FOR FOREIGN TRAVEL

U.S. residents spent \$4 3/4 billion on foreign travel in 1967, about 17 percent more than in 1966, according to the U.S. Department of Commerce.<sup>1/</sup> More than 3.4 million travelers spent \$1.5 billion in overseas countries and millions more spent nearly \$1.7 billion in Canada and Mexico. (The other \$1.5 billion was paid to foreign ships and airlines for transoceanic transportation.)

U.S. outlays for travel in Europe and the Mediterranean area rose 11 percent. This reflected a 15 percent rise in the number of visitors, offset in part by a 3 percent decrease in average amount spent.

Expo 67 and the Canadian Centennial drew millions of U.S. visitors, who spent \$1.07 billion in Canada. Travel spending in the Caribbean area, including the West Indies and Central America, was nearly 14 percent over 1966 and came from more than 1.2 million visitors. The number of travelers to South America rose 35 percent, but the average amount spent per person declined. Fewer persons visited Japan and Hong Kong and expenditures there declined.

A trip to Europe in 1967 cost U.S. travelers an average of \$1,022, including \$460 for transocean fare and \$563 while there. Visits averaged about 33 days at \$17.06 a day. This was 4 days shorter but 8 percent more costly per day than the average European trip in 1966.

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<sup>1/</sup> Miller, E. H. U.S. Spending for Foreign Travel Totaled \$4 3/4 Billion in 1967. U.S. Dept. Com., Survey of Current Business; Vol. No. 48, 14-17, 58. June 1968.



## THE EDUCATIONAL LEVEL OF U.S. WORKERS

The general upgrading of the educational level of the U.S. population is naturally reflected in the labor force. As of the mid-1960's, 56 percent of all workers 25 years old and over had at least a high school education and 12 percent had completed 4 or more years of college (see table). Just 7 or 8 years earlier, only 46 percent had finished high school and 10 percent were college graduates. Workers with no more than an elementary school education decreased from 35 to 26 percent of the labor force during the period. By 1975, according to projections of the Bureau of Labor Statistics, 66 percent of the labor force will have at least a high school education, 15 percent will have graduated from college, and only 16 percent will have completed 8 grades or less.

The educational gap between younger and older workers is declining as young people replace those who retire. In 1964-66, 69 percent of workers aged 25 to 34 years compared with 39 percent of those 55 to 64 years old had a high school education or better. By 1975, 79 percent of the younger and 53 percent of the older group are expected to attain this level.

The average (median) number of years of schooling of workers 25 years old and over was 12.2 in 1964-66 and is expected to be 12.4 by 1975.

Distribution of civilian labor force 25 years of age and over,  
by highest number of years of school completed

Years of school completed	March 1957-59 average	March 1964-66 average	1975 projected
	Percent	Percent	Percent
All -----	100	100	100
Elementary, 8 years or less	35	26	16
High school, 1 to 3 years -	19	19	18
High school, 4 years -----	28	33	40
College, 1 to 3 years -----	8	10	11
College, 4 years or more --	10	12	15
Median years of school completed -----	11.4	12.2	12.4

Source: U.S. Dept. of Labor, Bureau of Labor Statistics. Monthly Labor Review, April 1968, pp. 10-13; and Special Labor Force Reports No. 53, 65, and 83.



### SOME NEW USDA PUBLICATIONS

The following publications are for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402: (Please give your ZIP code.)

HELPING FAMILIES MANAGE THEIR FINANCES. Research Report No. 21--

Revised June 1968. 40 cents.

CALORIES AND WEIGHT: THE USDA POCKET GUIDE. HG No. 153. 25 cents.

# COST OF FOOD AT HOME

Cost of food at home estimated for food plans at three cost levels, June 1968, U.S. average 1/

Sex-age groups <u>2/</u>	Cost for 1 week			Cost for 1 month		
	Low-cost plan	Moderate-cost plan	Liberal plan	Low-cost plan	Moderate-cost plan	Liberal plan
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
<u>FAMILIES</u>						
Family of 2:						
20 to 35 years <u>3/</u> ----	16.70	21.10	25.80	72.40	91.60	112.10
55 to 75 years <u>3/</u> ----	13.60	17.70	21.10	59.30	76.40	91.40
Family of 4:						
Preschool children <u>4/</u>	24.20	30.70	37.20	105.10	133.10	161.30
School children <u>5/</u> ---	28.20	35.90	43.80	122.30	155.30	189.80
<u>INDIVIDUALS <u>6/</u></u>						
Children, under 1 year	3.20	4.10	4.50	14.00	17.60	19.60
1 to 3 years -----	4.10	5.20	6.20	17.90	22.40	26.70
3 to 6 years -----	4.90	6.30	7.50	21.40	27.40	32.70
6 to 9 years -----	6.00	7.70	9.50	26.00	33.20	41.20
Girls, 9 to 12 years --	6.80	8.80	10.20	29.60	38.00	44.30
12 to 15 years -----	7.50	9.70	11.70	32.70	42.10	50.70
15 to 20 years -----	7.70	9.70	11.40	33.30	41.80	49.50
Boys, 9 to 12 years ---	7.00	9.00	10.80	30.40	38.80	46.70
12 to 15 years -----	8.20	10.70	12.70	35.60	46.40	55.10
15 to 20 years -----	9.50	12.00	14.40	41.00	51.80	62.30
Women, 20 to 35 years -	7.00	8.90	10.70	30.50	38.60	46.30
35 to 55 years -----	6.70	8.60	10.30	29.20	37.10	44.60
55 to 75 years -----	5.70	7.40	8.80	24.80	31.90	37.90
75 years and over ---	5.20	6.60	8.00	22.50	28.40	34.60
Pregnant -----	8.40	10.40	12.30	36.30	45.10	53.10
Nursing -----	9.80	12.00	14.00	42.20	52.10	60.80
Men, 20 to 35 years ---	8.20	10.30	12.80	35.30	44.70	55.60
35 to 55 years -----	7.60	9.60	11.70	32.80	41.50	50.60
55 to 75 years -----	6.70	8.70	10.40	29.10	37.50	45.20
75 years and over ---	6.30	8.30	10.00	27.20	36.10	43.40

1/ Estimates computed from quantities in food plans published in FAMILY ECONOMICS REVIEW, October 1964. Costs of the plans were first estimated by using average price per pound of each food group paid by urban survey families at 3 income levels in 1965. These prices were adjusted to current levels by use of Retail Food Prices by Cities, released by the Bureau of Labor Statistics.

2/ Persons of the first age listed up to but not including the second age.

3/ 10 percent added for family size adjustment. For derivation of factors for adjustment, see Family Food Plans and Food Costs, USDA, HERR No. 20.

4/ Man and woman, 20 to 35 years; children 1 to 3 and 3 to 6 years.

5/ Man and woman, 20 to 35 years; child 6 to 9; and boy 9 to 12 years.

6/ Costs given for persons in families of 4. For other size families, adjust thus: 1-person, add 20 percent; 2-person, add 10 percent; 3-person, add 5 percent; 5-person, subtract 5 percent; 6-or-more-person, subtract 10 percent.

# CONSUMER PRICES

Consumer Price Index for Urban Wage Earners and Clerical Workers  
(including single workers)  
(1957-59 = 100)

Group	July 1967	May 1968	June 1968	July 1968
All items -----	116.5	120.3	120.9	121.5
Food -----	116.0	118.8	119.1	120.0
Food at home -----	113.3	115.6	115.8	116.7
Food away from home -----	129.7	135.1	135.7	136.5
Housing -----	114.5	117.8	118.7	119.5
Shelter -----	118.1	121.6	122.9	124.2
Rent -----	112.4	114.6	114.9	115.1
Homeownership -----	120.5	124.3	126.1	127.8
Fuel and utilities -----	108.9	110.3	110.3	110.6
Fuel oil and coal -----	111.4	115.3	115.4	115.7
Gas and electricity -----	108.3	109.5	109.4	109.5
Household furnishings and operation -----	108.2	112.5	112.9	113.1
Apparel and upkeep -----	113.7	119.5	119.9	119.7
Men's and boys' -----	113.9	119.5	120.1	120.1
Women's and girls' -----	109.2	116.2	116.5	115.7
Footwear -----	125.4	131.2	131.7	132.0
Transportation -----	116.2	119.1	119.7	119.8
Private -----	114.1	116.8	117.4	117.6
Public -----	132.7	137.3	138.4	138.5
Health and recreation -----	123.6	129.2	129.7	130.2
Medical care -----	136.9	144.0	144.4	145.1
Personal care -----	115.5	119.6	120.1	120.4
Reading and recreation -----	119.8	125.3	125.6	125.9
Other goods and services -----	117.8	122.6	123.5	123.9

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Index of Prices Paid by Farmers for Family Living Items  
(1957-59 = 100)

Item	Aug. 1967	March 1968	April 1968	May 1968	June 1968	July 1968	Aug. 1968
All items -----	113	116	117	117	117	118	118
Food and tobacco -----	-	117	-	-	120	-	-
Clothing -----	-	128	-	-	129	-	-
Household operation -----	-	115	-	-	115	-	-
Household furnishings ---	-	100	-	-	102	-	-
Building materials, house	-	111	-	-	113	-	-

Source: U.S. Department of Agriculture, Statistical Reporting Service.